

STATE OF WEST VIRGINIA
EXECUTIVE DEPARTMENT

At Charleston

EXECUTIVE ORDER NO. 3-15

By the Governor

WHEREAS, the Secretary of the Department of Revenue has submitted to the Governor a monthly General Revenue Fund Collections Report for the first eleven months of fiscal year 2015 as prepared by the State Budget Office; and

WHEREAS, this report demonstrates that the State of West Virginia has suffered a revenue shortfall of approximately \$28.55 million as compared to revenue estimates; and

WHEREAS, this shortfall of approximately \$28.55 million in revenue through May 2015 exists as a result of particular revenue source shortfalls including the Consumers Sales and Use Tax (\$17.99 million) and Severance Tax (\$58.04 million) despite actual collections exceeding estimated collections in a few other tax categories; and

WHEREAS, current economic and fiscal trends will result in projected year-end revenue deficits, including potential shortfalls in Severance Tax, Consumers Sales and Use Tax, and Corporate Net Income Tax; and

WHEREAS, projected year-end revenue surpluses in various other General Revenue sources will only offset a small portion of these deficits; and

WHEREAS, the total projected year-end revenue deficit for the General Revenue Fund is currently estimated at \$70 million; and

WHEREAS, the Constitution of the State of West Virginia requires that there be a balance between the State's revenues and expenditures for each fiscal year; and

WHEREAS, the Secretary of the Department of Revenue has reviewed the expenditures of various State agencies to date during fiscal year 2015, as compared with the agencies' initial appropriations, and has projected a potentially significant budget deficit for the fiscal year ending June 30, 2015, unless a minimum of \$38,900,000 in spending reductions occur, which together with available fiscal year 2015 unappropriated general revenue funds of \$12,600,000, additional revenues of \$7,500,000 transferred to fiscal year 2015 collections per HB 2766 passed during the 2015 Regular Legislative Session, and the availability of \$11,000,000 in the Personal Income Tax Reserve Fund, will close the currently estimated total projected year-end revenue deficit for the General Revenue Fund; and

WHEREAS, on December 17, 2013, the Governor issued a memorandum to Cabinet Secretaries implementing temporary restrictions on general revenue funded hiring to help reduce expenditures and close the anticipated budget gap in fiscal year 2014; and on July 1, 2014 this temporary restriction on general revenue funded hiring was extended; and

WHEREAS, after careful analysis of fiscal year 2015 spending trends to date, other budget items also appear to be available for targeted reduction to aid in the balancing of the budget for fiscal year 2015.

NOW, THEREFORE, I, EARL RAY TOMBLIN, by virtue of the authority vested in me as the Governor of West Virginia, do hereby **ORDER** that:

1. All departments, agencies, bureaus, sections, boards, commissions and other organizational units within the Executive Branch of State Government shall take immediate

action to effect a spending reduction of their General Revenue appropriations for fiscal year 2015 as provided in paragraph two below, effective June 9, 2015.

2. The Governor's Office by a minimum of \$400,000; the West Virginia Conservation Agency by a minimum of \$100,000; the Department of Administration by a minimum of \$1,333,000; the Department of Commerce by a minimum of \$1,573,000; the Department of Education by a minimum of \$2,453,000; the Department of Education and the Arts by a minimum of \$678,000; the Department of Environmental Protection by a minimum of \$440,000; the Department of Health and Human Resources by a minimum of \$10,683,000; the Department of Military Affairs and Public Safety by a minimum of \$19,600,000; the Department of Revenue by a minimum of \$1,328,000; the Department of Transportation by a minimum of \$198,000; and the Department of Veterans' Assistance by a minimum of \$114,000.

3. The Secretary of the Department of Revenue will supply instructions on the implementation of this spending reduction.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of West Virginia to be affixed.



DONE at the Capitol, in the City of Charleston, State of West Virginia, this ninth day of June, in the year of our Lord, two thousand fifteen, and in the one hundred fifty-second year of the State.

Earl Ray Tomblin
GOVERNOR

By the Governor

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SECRETARY OF STATE